Calendar No. 911

82D CONGRESS, 1st Session | SENATE | REPORT No. 961

REHABILITATION OF FLOOD-STRICKEN AREAS

OCTOBER 16 (legislative day, OCTOBER 1), 1951.—Ordered to be printed

UNIV. OF MICH.
OCT 27 1951
LAW LIBRARY

Mr. McKELLAR, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. J. Res. 341]

The Committee on Appropriations, to whom was referred House Joint Resolution No. 341, making appropriations for rehabilitation of flood-stricken areas for the fiscal year 1952, and for other purposes, report the same to the Senate without amendment with the recommendation that the resolution be passed.

The President under date of August 20, 1951, submitted to Congress in House Document No. 228 a message relative to the recent flood disaster suffered in the Middle West and asked an appropriation of $400,000,000 for relief and rehabilitation in this disaster area.

There is no question in the minds of the members of the committee as to the seriousness and magnitude of this disaster or the suffering and damage which resulted from this flood.

Recognizing the need for funds for relief the Congress on July 18 appropriated $25,000,000 to the disaster fund of the President for use in the flood area.

The status of the fund as of September 24, 1951, is as follows:

Total funds available		$25,800,000
Amounts allocated to date:		
To Kansas for clean-up and rehabilitation	$7,075,000	
To Missouri for clean-up and rehabilitation	2,525,000	
To Oklahoma for clean-up and rehabilitation	225,000	
To Housing and Home Finance Agency for temporary housing	4,250,000	
To Department of Agriculture for livestock feeding	1,000,000	
To Federal Security Agency for medical and sanitary services	228,600	
		15,328,600
Unallocated balance		10,471,400
The following additional requests for allocations are pending:		
Requested by Corps of Engineers	$2,800,000	
Requested by State of Kansas	8,000,000	
Additional temporary housing	750,000	
Total requests pending		11,550,000

In his message to the Congress the President asked for an appropriation of $400,000,000 for the following purposes:

1. To indemnify the flood victims for a portion of their loss of real and personal property.
2. To make and guarantee loans on liberal terms for the building of homes and businesses to replace those destroyed.
3. To help farmers drain and rehabilitate their land, replace buildings, and restore the productive capacity of their farms, through on-farm assistance and disaster loans.
4. To permit loans where necessary to enable State and local government participation in the rehabilitation activities.
5. To provide funds to establish a national system of flood disaster insurance, similar to the war damage insurance system of World War II.

To administer the program, the President expects to establish a Flood Disaster Administration as a small policy and control body, with operating functions placed in existing Federal and State departments and agencies.

With respect to the indemnification provision and national system of flood-disaster insurance, as well as the creation of a Flood Disaster Administration, it is the consensus of opinion of the members of the committee that these are matters which call for substantive legislation and should be considered by the proper legislative committees.

The joint resolution does provide for certain phases of the program, as follows:

1. Appropriation of an additional $18,440,000 to the regular activities of the Department of Agriculture for restoration of productive capacity of farms through clearing sand, water, and debris from flooded lands, reestablishing pastures, stock water facilities, terraces and other conservation measures, and clearing tributary streams and waterways.

2. Appropriation of an additional $30,000,000 to the Disaster Loan Revolving Fund of the Farmers Home Administration of the Department of Agriculture to provide funds to replace or repair farm homes, buildings, equipment, furnishings, livestock, etc. This will supplement $13,000,000 now available from the Disaster Loan Fund, plus $14,100,000 available from the regular FHA lending programs.

3. Appropriation of an additional $5,000,000 for disaster relief activities to supplement the $25,800,000 previously appropriated. This additional amount will be available for direct relief and rehabilitation activities in the area under the provisions of Public Law 875, Eighty-first Congress.

4. Increase of the limitation on RFC disaster loans from $40,000,000 to $100,000,000 to provide funds to rehabilitate business and home owners, and extension from 10 to 20 years of the time limit fixed by law on loans for acquisition or construction of housing. This will enable the RFC to make liberal loans to home owners whose property was destroyed or damaged by the flood and thereby restore their equity to the extent that they will be placed in position to obtain additional credit if needed from regularly established institutions that finance home construction.

○